



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

January 9, 2020

TO: Southern Oregon University Board of Trustees, Finance and Administration Committee

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Meeting of the Finance and Administration Committee

The Finance and Administration Committee of the Southern Oregon University Board of Trustees will hold a regular meeting on the date and at the location set forth below.

Topics of the meeting will include a vice president's report with a review of the financial dashboard and updates on the external audit for fiscal year 2018-19; organizational changes; and other general updates. Discussion items include enterprise risk management, a budget update, and a review of the financial pro forma. The committee will vote to recommend a budget process for the 2020-21 fiscal year, and beyond.

The meeting will occur as follows:

Thursday, January 16, 2020
4:00 p.m. to 6:00 p.m. (or until business concludes)
Hannon Library, DeBoer Room, 3rd Floor, Room #303
Visit governance.sou.edu for meeting materials.

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University. **If special accommodations are required or to sign-up in advance for public comment, please contact Kathy Park at (541) 552-8055 at least 72 hours in advance.**



**Board of Trustees
Finance and Administration Committee Meeting
January 16, 2020**



Call to Order / Roll / Declaration of a Quorum



**Board of Trustees
Finance and Administration Committee Meeting**

**Thursday, January 16, 2020
4:00 p.m. – 6:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

AGENDA

Persons wishing to participate during the public comment period shall sign up at the meeting.
Please note: times are approximate and items may be taken out of order.

	1	Call to Order/Roll/Declaration of a Quorum	Chair Sheila Clough
5 min.	1.1	Welcome and Opening Remarks	
	1.2	Roll and Declaration of a Quorum	Sabrina Prud'homme, SOU, Board Secretary
	1.3	Agenda Review	Chair Clough
	2	Public Comment	
	3	Consent Agenda	
	3.1	Approval of October 17, 2019 Meeting Minutes	Chair Clough
20 min.	4	Vice President's Report	Greg Perkinson, SOU, Vice President for Finance and Administration
	4.1	Committee Dashboard	
	4.2	Update on External Audit for Fiscal Year 2018-19	
	4.3	Organizational Update	
	4.4	Other General Updates	
	5	Action, Information and Discussion Items	
25 min.	5.1	Enterprise Risk Management	Greg Perkinson
30 min.	5.2	Budget Process for Future Fiscal Years (Action)	Greg Perkinson
20 min.	5.3	Budget Update and Review of Pro Forma	Greg Perkinson
	5.4	Future Meetings	Chair Clough
	6	Adjournment	Chair Clough

Public Comment

Consent Agenda

**Southern Oregon University
Board of Trustees
Finance and Administration Committee Meeting
Thursday, October 17, 2019**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

Sheila Clough	Present	Shanztyn Nihipali	Present
Les AuCoin	Absent	Bill Thorndike	Present
Shaun Franks	Present	Steve Vincent	Present
Megan Davis Lightman	Present		

Chair Sheila Clough called the meeting to order at 4:00 p.m. in the DeBoer Room of the Hannon Library. The secretary recorded the roll and a quorum was verified.

Other trustees in attendance: Paul Nicholson, Deborah Rosenberg, janelle wilson and Dr. Linda Schott.

Other attendees included: Dr. Neil Woolf, Vice President for Enrollment Management and Student Affairs; Greg Perkinson, Vice President for Finance and Administration; Jason Catz, General Counsel; Dr. Susan Walsh, Provost; Dr. Karen Stone, Associate Vice President for Academic Resource Management; Sabrina Prud'homme, Board Secretary; Josh Lovern, Budget Office; Andrew Gast, Development Office; Staci Buchwald, Housing; Susan Dyssegard, Office of Finance and Administration; Dr. Lee Ayers, Undergraduate Studies and HECC; Deborah Lovern, Provost's Office; Steve Larvick, Business Services; Ryan Schnobrich, Internal Auditor; John Stevenson, Information Technology; and Kathy Park, Office of the Board Secretary.

Public Comment

There was no public comment.

Consent Agenda (Action)

Trustee Vincent moved to approve the consent agenda as presented. Trustee Thorndike seconded the motion and it passed unanimously.

Vice President's Report

Committee Dashboard

Greg Perkinson discussed the end-of-fiscal-year dashboard. Revenue was down \$3.4 million due to lower enrollment. The ending fund balance closed at \$5.35 million, which was expected. Regarding expenses, labor was as expected; the Other Personnel Expenses (OPE) category was soft, partially due to holding vacant positions open; and Supplies and Services was \$1.9 million higher due to expenses for utilities, retirement liability, and insurance. He reminded committee members that \$1 million was transferred out of the plant fund to soften the impact of the ending fund balance, which was 8.6 percent and a little better than projected.

Responding to Chair Clough's inquiry regarding the relationship between labor (expenses equaled the burn rate) and OPE (expenses were less than the burn rate), Mr. Perkinson said PEBB benefits held flat while budget personnel projected it would increase. Responding to Chair Clough's further inquiry about the labor expenses, Steve Larvick said there were not as many labor vacancies as expected and the budget models a vacancy rate.

Responding to Vice Chair Nicholson's inquiry, Mr. Perkinson said the \$1 million transfer from the plant fund showed up as a decrease in the transfers out of the Education & General fund into auxiliaries and is reflected in the ending fund balance.

State Funding Update

In June, the HECC approved SOU's tuition rate increase of 10 percent. That enabled budget staff to include revenue calculations in SOU's budget forecasting, along with state funding, which came in at \$100 million over the public university support fund. The university also received \$2.5 million in sports lottery funding.

HECC 10-year Strategic Capital Plan and SOU Capital Projects Update

Mr. Perkinson highlighted two key findings in the strategic capital plan: 1) the Oregon public universities have the space they need, though it is not configured to support the way they teach now; and 2) the condition of that space is often deficient with regard to age and code-compliance.

SOU's three capital projects were below the funding line last year but will be refined and resubmitted. The changes to the [HECC's capital planning] rubric are good for SOU and the university may score better in the future. The music building is SOU's priority-one resubmittal; the second is phase 2 of Britt Hall; and the third is Cascades.

Jeanne Stallman said the legislature set aside \$315 million for capital funding. It is unknown how much is for higher education. President Schott said the legislature was waiting for the 10-year capital plan so there would be a roadmap that brings rationality to the process. Answering Chair Clough, Mr. Perkinson said SOU's three projects tie to its strategic plan, which also ties to HECC's strategic plan.

Action, Information and Discussion Items

Fiscal Year 2019-20 (FY 20) University Budget (Action)

Introducing the agenda item, Chair Clough said she wanted discussion and questions and would be looking for a motion to recommend the budget to the board for approval. She reminded committee members that the budget process was different this year, with the adoption of a roll-forward budget in June with the understanding that a full budget would be adopted at this time, in October, after the gaps in information were filled.

Vice Chair Nicholson mentioned the \$247,000 SOU lost in the true-up. From a process perspective, Mr. Perkinson said HECC collects known as well as projected data in July, then in October, completes a true-up with actual figures. They run actuals through the model and make adjustments as necessary. SOU gained \$190,000 last year and lost \$247,000 this year, as SOU's completions and student credit hours were down.

Mr. Perkinson reviewed the FY20 budget forecast variables for the current year, as included in the meeting materials. A total of \$253,000 was lost in the true-up (\$247,000 plus \$6,000 in Engineering and Technology Industry Council funds). The remissions figure of \$3.6 million is based on Dr. Neil Woolf's assessment of need, while OPE is adjusted based on history. Enrollment is projected to be down 3.3 percent. A \$600,000 reduction was made in Supplies and Services due to a decrease in rates for natural gas and electricity. Mr. Perkinson then reviewed the budget forecast variables for future years, as included in the meeting materials.

A key factor in the proposed budget is an expected \$2.38 million cost reduction to get the ending fund balance to 8 percent. Over the summer, the administration talked about strategies and tactics to achieve those cost reductions. The administration landed with a tactical approach, with the Office of the President and each vice president making targeted reductions based on the three principles President Schott released in an email message to the campus the previous week: maintaining academic excellence; supporting student success; and achieving and maintaining operational efficiency and effectiveness. The provost has a solid plan to achieve the \$870,000 cuts in her area. The president and the vice president for enrollment management and student affairs are evaluating options to achieve reductions in their areas. The vice president for development will achieve the reduction in her area by keeping a position vacant. Responding to Chair Clough's inquiry, Mr. Perkinson said the reductions are a combination of one-time cuts and recurring savings which will manifest throughout the year. The cuts for the vice president for finance and administration include his portfolio and general institution accounts.

Although one of the charts in the meeting materials appeared to show a deficit, Chair Clough clarified that the committee is not being asked to approve a budget with a loss of \$2.4 million but is being asked to approve a budget that incorporates these cost reductions. This will come out at about a break-even point and an ending fund balance of 8 percent. Both Mr. Perkinson and President Schott affirmed these statements.

President Schott stressed that, although cost reductions are being made, SOU is still investing in places where it needs to, such as diversity and equity. The president has told the campus that the institution would be making reductions and would protect the academic core and student services as much as possible.

Responding to Trustee Vincent's comment, Mr. Perkinson said the administration has various options for cost reductions, including outsourcing services and early retirement packages. The president's task force on financial sustainability will bring the campus together to look at long-range, deeper solutions and alternatives. Responding to Vice Chair Nicholson's inquiry about the board's role and support, President Schott said a good start is passing a budget that requires these cuts and holding the university accountable. President Schott said that, if the board passes this budget, she and her vice presidents have committed to meeting with every division and other units on campus to provide information and answer questions.

Vice Chair Nicholson asked about the timing of the cuts, especially with much of the

budget consisting of labor costs, at least one-third of the fiscal year having already passed, and the impact on SOU's ability to deliver quality education. Mr. Perkinson said one of the highest risks is that there are factors outside the university's control that could negatively influence the university, demoralize and demotivate employees, and make it more difficult to get work done. Also, by keeping positions vacant, the rest of the team has to fill in and there are risks of burning the candle at both ends. Trustee Rosenberg, Mr. Perkinson and Dr. Walsh later stressed the importance of monitoring employees for potential burnout and leaders' roles in doing so. Leadership's challenge is to monitor work flows and how people are doing while looking for opportunities to save money. Dr. Walsh and Deborah Lovern mentioned some of the cuts made in academic affairs, including an unanticipated full professor's retirement, positions vacant since July 1, and fewer term-by-term faculty.

Mr. Perkinson affirmed Chair Clough's statements that the president's cabinet already is identifying and implementing the \$2.4 million in cost reductions and the task force on financial sustainability is looking beyond the current year.

Turning to the current pro forma included in the meeting materials, Mr. Perkinson oriented committee members to each column and reviewed line items. President Schott noted the total OPE is almost equal to the amount received in state appropriations. Looking at the cost reductions in future years, Mr. Perkinson said the amounts increase because SOU must drive larger scale, permanent reductions to survive. The reductions are not cumulative. Some of the savings are recurring, some are one-time. Chair Clough expressed the need for management to track where the savings and reductions are actually occurring and to be able to explain it to the trustees.

Mr. Perkinson then reviewed the proposed budgets for combined, budgeted, auxiliary and designated operations.

Trustee Thorndike recommended the resolution included in the meeting materials be amended to indicate it is the committee's resolution recommending the board approve the budget. Trustee Lightman moved approval of the resolution, as amended. Trustee Franks seconded the motion and it passed unanimously.

Proposed 2020-2021 Committee Meeting Schedule

Chair Clough and Sabrina Prud'homme reviewed the meeting schedule for academic years 2019-20 and 2020-21. The committee members had no comments or concerns.

Future Meetings

The next regularly scheduled committee meeting will be on January 16. As potential topics for the meeting, President Schott, Mr. Perkinson and Dr. Woolf suggested an update on the discussions regarding revisions to the Student Success and Completion Model, enterprise risk management, and results of financial aid leveraging.

Adjournment

Chair Clough adjourned the meeting at 5:41 p.m.

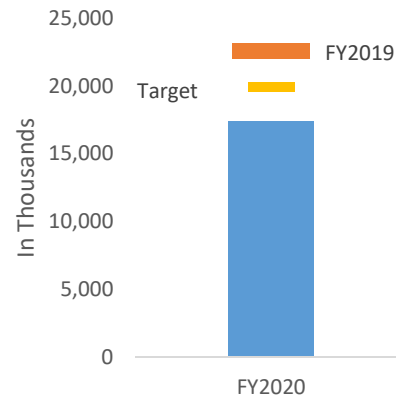
Vice President's Report

Financial Dashboard

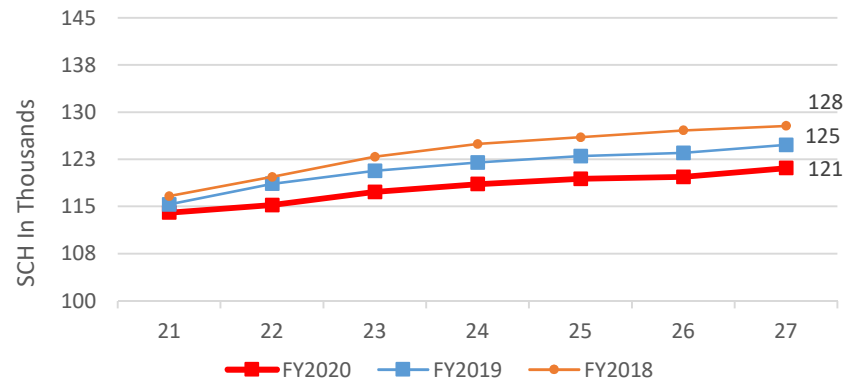
For FY20

As of December 31, 2019

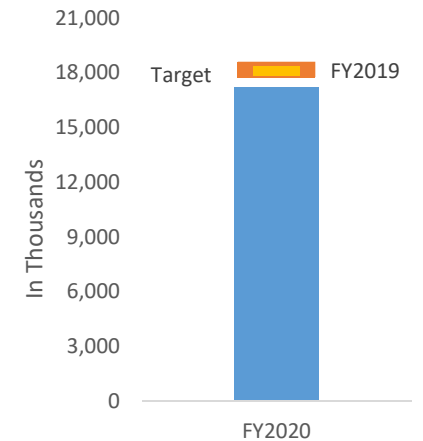
Public University Funds Operating Cash



Total Student Credit Hours by Week of the Fiscal Year

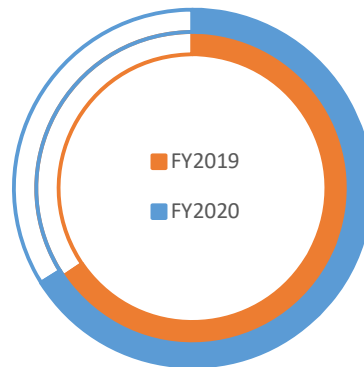


E&G Fund Balance

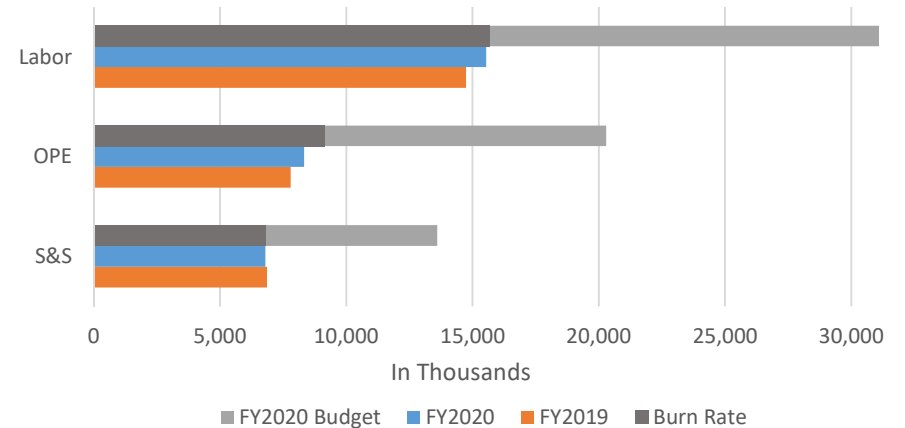


Implementing Cost Reduction Measures

E&G YTD Revenues



E&G YTD Select Expenses



Enterprise Risk Management

Road Map

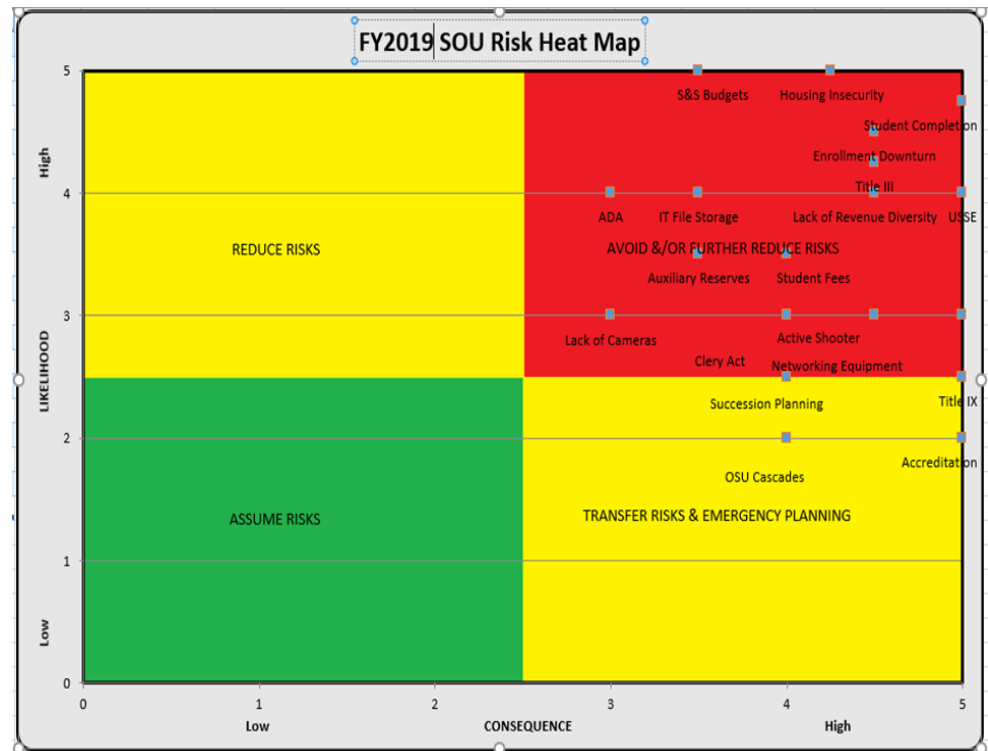
- What is ERM?
- How are we implementing it at SOU?
- Road ahead – How can we improve the program?

Enterprise Risk Management



Enterprise Risk Management

- Heat Map shown to board last year
- Link to tool used monthly by BAC:
[latest spreadsheet](#)



Screenshot of "Tracker"

Risk ID	Risk Description	Consequence (1-5)	Likelihood (1-5)	Owner	Estimated Mitigation Date	Level (Over sight)	Identify risk using an if ____, then ____
13	Lack of Backup Communication (People & Systems)	4	4	CPS / Jesse / Tom	3/31/2020	2	If we lose our VOIP and networks, then
14	Crisis Management Team - Position Descriptions Update	3	3	Alana & CPS (CPS portion completed)	2/28/2020	2	If we do not clarify roles and responsibility will be diminished.
15	Lack of energy independence	4	3	Drew / Keith	8/1/2020	2	If we don't establish energy independence failures during grid failures due to storage
16	FOB/door locks for campus lockdown	5	3	CPS / Drew	8/1/2020	2	In the event of an active intruder, we have causing harm to students and employees
17	Donor designations not followed	5	2	Janet	eternity	3	Never closed...systems and process will
18	Loss of market share for enrollment	5	3	Neil	9/1/2021	4	Not losing ground ... best scenario is growth
19	Title IX event	5	5	Linda	eternity	5	Risk of an event occurring.
20	Title IX policy	5	2	Jason/CDIO	3/31/2020	4	Risk of non-compliance with policy.
21	Accreditation - losing it...	5	2	Sue	TBD	4	Risk to larger accreditation process.
22	Succession Planning	4	2	Linda	TBD	4	Tied to Continuity of Business Operations
23	Non-compliance with Title IV (\$)	5	1	Neil	TBD	4	Risk of non-compliance with policy.
24	Lack of Revenue Diversity (Durability)	4	4	Linda	3/31/2020	4	Similar to HECC Director concern about
25	Student success and completion	5	5	Linda	3/31/2020	4	Broad set of issues and outcomes.
26	OSU-C reducing market share	4	2	Jeanne	3/31/2020	4	Political issues tied to Cascades Campus
27	IT file storage protocol is too expensive	4	4	Tom	2/13/2020	2	If the IT storage approach doesn't change
28	Lack of strategy or approach to replacing networking equipment	5	3	Tom	TBD	4	If we don't have a replacement plan, we replace key components, resulting in (

Screenshot of “Tracker” (Cont’d)

Risk Mitigation Action Plan			
Risk ID	7		
Risk Description	Employee Engagement		
Likelihood (1-5)	4		
Consequence (1-5)	4		
Action	Description	Anticipated Steps	Estimated Completion Date
1	Professional development opportunities (in-person and virtual) for today's audience. Develop in-house mandatory Manager/Supervisor 101 Training (include: Coaching, Mentoring, Performance Management, Policies/Procedures).	1. HR budget initiative approved for 18/19. 2. Partner with Outreach and Engagement for 12 trainings (1-per month at Ashland campus). Relevant and applicable to all Administrators and Staff. 3. Identify online interactive provider. Emphasize "micro learning" for informal, self-directed and mobile-optimized content on single topics (i.e. videos, webinars, podcasts, or even games that provide learning material sin an easy-to-absorb format).	Jan-19 Dec-20
2	Implement systematic “onboarding” programs to help new employees optimize performance by forming relationships and accessing central information from the start.	1. PeopleAdmin Onboarding Module for employment paperwork/intake (budget initiative submitted 3/18, pending approval) . 2. HR and Service Center development of short-and long-term plan for employee integration. Incorporate University mission, values, strategic planning. 3. Pilot the program December 2018 (PA, in-person day, tour, mentor-mentee pair, questionnaire for feedback on impact and effectiveness).	Jan-19
3	Transform from traditional to continuous performance management to ensure alignment with University mission/vision/values	1. HR create a Task Force to review existing practice and reinvent a new modern process. Build a new on-going process for relationships, goal setting, coaching, evaluation and feedback. 2. Develop a Administrator/Classified Performance Management form, define frequency, and set accountability expectations. 3. Pilot new process Fall 2019.	Dec-19
Closure	An engaging employee experience will increase productivity and brand commitment, aid in authentic relationship building, plant an overall understanding of contributions and value of work to SOU, and empower		Dec-20

Ongoing Risk Assessments

- What keeps you up at night?
- How can you help identify new... and mitigate existing... risks?

Budget Process for Future Fiscal Years (Action)

Ongoing Budget Process Proposal

#1 FY '19 Legacy Process

(Recommended)

Budgeting starts in Nov,
BOT approves in June

Advantages:

1. Comfortable to campus users
2. Better Planning for programs/departments
3. Easier State Reporting
4. Timeline kept in sync

Disadvantages:

1. Volatility not captured
2. Long Session late approvals
3. Onerous Adjustments

#2 FY '20 Approach

Budgeting starts in Nov,
BOT approves a carry-forward of
previous budget in June,
Final Adopted in October

Advantages:

1. Spending budget aligns tighter with known enrollments
2. Revenues estimates tighter
3. All legislative actions represented

Disadvantages:

1. 3mths into 12mth cycle
2. Adjustments are very late
3. Dual entry for 6-9mths
4. Reporting to state agencies problematic (BOT not approved)

#3 Hybrid Approach

Process #2 in state budgeting
year
Process #1 in non-state
budgeting year

Advantages:

1. Realistic revenue targets
2. Spending authority can be stripped in Oct if needed
3. Programs have general idea of spending going into summer

Disadvantages:

1. Triple-entry nightmare
2. Less confidence for programs going into summer
3. Reporting becomes fragmented – 2 ‘approvals’

Budget Update and Review of Pro Forma

(This section to be updated 01/21/20)

Road Map

- Budget approved in October 2019
- Pro Forma (as of 1/15/2020)
- Summary of Cost Reductions

Pro Forma

(as of 10/8/19)

	2017-19 Biennium		2019-21 Biennium		2021-23 Biennium	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Actual	Budget & Projections	FORECAST	FORECAST	FORECAST
(in thousands of dollars)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Education and General						
Revenue						
State Appropriations: SSCM	20,840	21,270	22,696	23,880	25,509	26,550
State Appropriations: ETIC/SELP	433	381	376	377	376	376
One-time Funding		0	672	672		
Total State Funding	21,273	21,651	23,744	24,929	25,885	26,926
Tuition	37,759	37,709	40,047	40,128	40,366	40,835
Fees	3,244	3,294	3,547	3,828	4,163	4,552
Raider Aid	(4,243)	(3,638)	(3,600)	(3,612)	(3,633)	(3,675)
Oth tuition adjustments						
Tuition, net of Raider Aid	36,760	37,365	39,994	40,345	40,896	41,711
Misc. Other Revenue	2,804	3,013	2,950	3,016	3,084	3,154
Other Adjustments to Revenue						
Total Revenues	60,837	62,030	66,688	68,290	69,866	71,791
Personnel Services						
Faculty	(15,044)	(15,801)	(16,560)	(17,071)	(17,415)	(18,025)
Admin	(8,854)	(9,230)	(10,053)	(10,311)	(10,591)	(10,763)
Classified	(6,436)	(6,484)	(6,824)	(6,884)	(6,965)	(7,033)
Student (& Other)	(1,430)	(1,500)	(1,615)	(1,723)	(1,832)	(1,940)
Labor	(31,763)	(33,014)	(35,052)	(35,988)	(36,803)	(37,760)
Retirement (PERS + ORP)	(6,841)	(7,007)	(9,143)	(9,387)	(9,603)	(9,853)
PEBB	(7,332)	(7,306)	(7,687)	(8,071)	(8,475)	(8,899)
Other	(2,839)	(3,018)	(3,501)	(3,595)	(3,676)	(3,771)
OPE	(17,012)	(17,331)	(20,331)	(21,053)	(21,754)	(22,523)
Net Personnel	(48,775)	(50,345)	(55,383)	(57,042)	(58,556)	(60,282)
Supplies & Services	(9,287)	(11,732)	(11,116)	(11,366)	(11,622)	(11,883)
Total Supplies and Services	(9,287)	(11,732)	(11,116)	(11,366)	(11,622)	(11,883)
Cost Reductions and Savings			2,435	3,150	3,475	3,750
Total Expenditures	(58,062)	(62,077)	(64,064)	(65,258)	(66,703)	(68,416)
Net from Operations Before Transfers	2,775	(47)	2,624	3,032	3,162	3,376
Net Transfers	(2,481)	(1,739)	(2,643)	(2,722)	(2,784)	(2,866)
Change in Fund Balance	294	(1,786)	(18)	310	379	510
Beginning Fund Balance	6,844	7,138	5,352	5,333	5,643	6,022
Ending Fund Balance	7,138	5,352	5,333	5,643	6,022	6,542
% Operating Revenues	11.7%	8.63%	8.00%	8.26%	8.6%	9.1%

Mid-year Reductions (as of 011520)

Education and General

(in thousands of dollars)

Revenue

State Appropriations: SSCM
State Appropriations: ETIC/SELP

Total State Funding

Tuition

Fees

Raider Aid

Tuition, net of Raider Aid

Growth Opportunities

Revenue External to modeling

Misc. Other Revenue

TOTAL REVENUES

Personnel Services

Faculty

Admin

Classified

Student (& Other)

Salaries Total

Retirement (PERS + ORP)

PEBB

Other

OPE

Vacancy Adj.

Net Personnel

Supplies & Services

S&S Adjustments

Total Supplies and Services

Cost Reductions and Savings

TOTAL EXPENDITURES

Net from Operations Before Transfers

NET TRANSFERS

Change in Fund Balance

Beginning Fund Balance


Ending Fund Balance

% Operating Revenues

2017-19
Biennium

2019-21 Biennium

2021-23 Biennium


Southern
OREGON
UNIVERSITY

2018-19	2019-20	2019-20	2020-21	2021-22	2022-23
Actual	BUDGET	PROJECTION	FORECAST	FORECAST	FORECAST
(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
21,270	22,696	22,696	23,357	24,312	25,236
381	376	378	359	359	359
21,651	23,072	23,074	23,716	24,671	25,595
37,709	40,047	39,652	39,176	39,088	39,143
3,294	3,547	3,187	3,402	3,671	3,986
(3,638)	(3,600)	(3,519)	(3,526)	(3,518)	(3,523)
37,365	39,994	39,320	39,052	39,242	39,606
		545			
3,013	2,950	2,930	3,553	3,633	3,715
62,030	66,016	65,869	66,321	67,546	68,915
(15,801)	(16,560)	(16,629)	(16,730)	(16,953)	(17,369)
(9,230)	(10,051)	(10,039)	(10,211)	(10,235)	(10,385)
(6,484)	(6,824)	(6,733)	(7,195)	(7,360)	(7,534)
(1,500)	(1,615)	(1,593)	(1,636)	(1,773)	(1,866)
(33,014)	(35,050)	(34,994)	(35,773)	(36,321)	(37,154)
(7,007)	(9,142)	(8,935)	(9,134)	(9,496)	(9,714)
(7,306)	(7,687)	(7,693)	(8,078)	(8,482)	(8,906)
(3,018)	(3,502)	(3,469)	(3,574)	(3,629)	(3,712)
(17,331)	(20,331)	(20,097)	(20,786)	(21,607)	(22,332)
		1,413			
(50,345)	(55,381)	(53,679)	(56,559)	(57,928)	(59,486)
(11,732)	(11,116)	(11,870)	(12,137)	(12,410)	(12,689)
		852			
(11,732)	(11,116)	(11,017)	(12,137)	(12,410)	(12,689)
	2,380	602	3,150	3,475	3,750
(62,077)	(64,117)	(64,094)	(65,546)	(66,863)	(68,425)
(47)	1,899	1,775	775	683	490
	(1,971)	(1,859)	(1,899)	(1,928)	(1,980)
(1,786)	(71)	(84)	(1,124)	(1,245)	(1,490)
7,138	5,352	5,352	5,267	4,144	2,898
5,352	5,280	5,267	4,144	2,898	1,408
8.63%	8.00%	8.00%	6.25%	4.3%	2.0%

Aspirational Model

	2017-19	2019-21 Biennium				2021-23 Biennium	
	2018-19	2019-20	2019-20	2020-21		2021-22	2022-23
	Actual (000's)	BUDGET (000's)	PROJECTION (000's)	FORECAST (000's)		FORECAST (000's)	FORECAST (000's)
Education and General							
(in thousands of dollars)							
Revenue							
State Appropriations: SSCM	21,270	22,696	22,696	23,357		24,312	25,236
State Appropriations: ETIC/SELP	381	376	378	359		359	359
Total State Funding	21,651	23,072	23,074	23,716		24,671	25,595
Tuition	37,709	40,047	39,652	39,176		39,088	39,143
Fees	3,294	3,547	3,187	3,402		3,671	3,986
Raider Aid	(3,638)	(3,600)	(3,519)	(3,526)		(3,518)	(3,523)
Tuition, net of Raider Aid	37,365	39,994	39,320	39,052		39,242	39,606
<i>Growth Opportunities</i>				1,000		2,000	3,000
<i>Revenue External to modeling</i>			545				
Misc. Other Revenue	3,013	2,950	2,930	3,553		3,633	3,715
TOTAL REVENUES	62,030	66,016	65,869	67,321		69,546	71,915
Personnel Services							
Faculty	(15,801)	(16,560)	(16,629)	(16,730)		(16,953)	(17,369)
Admin	(9,230)	(10,051)	(10,039)	(10,211)		(10,235)	(10,385)
Classified	(6,484)	(6,824)	(6,733)	(7,195)		(7,360)	(7,534)
Student (& Other)	(1,500)	(1,615)	(1,593)	(1,636)		(1,773)	(1,866)
Salaries Total	(33,014)	(35,050)	(34,994)	(35,773)		(36,321)	(37,154)
Retirement (PERS + ORP)	(7,007)	(9,142)	(8,935)	(9,134)		(9,496)	(9,714)
PEBB	(7,306)	(7,687)	(7,693)	(8,078)		(8,482)	(8,906)
Other	(3,018)	(3,502)	(3,469)	(3,574)		(3,629)	(3,712)
OPE	(17,331)	(20,331)	(20,097)	(20,786)		(21,607)	(22,332)
<i>Vacancy Adj.</i>			1,413				
Net Personnel	(50,345)	(55,381)	(53,679)	(56,559)		(57,928)	(59,486)
Supplies & Services	(11,732)	(11,116)	(11,870)	(12,137)		(12,410)	(12,689)
<i>S&S Adjustments</i>			852				
Total Supplies and Services	(11,732)	(11,116)	(11,017)	(12,137)		(12,410)	(12,689)
Cost Reductions and Savings		2,380	602	3,150		3,475	3,750
TOTAL EXPENDITURES	(62,077)	(64,117)	(64,094)	(65,546)		(66,863)	(68,425)
Net from Operations Before Transfers	(47)	1,899	1,775	1,775		2,683	3,490
NET TRANSFERS		(1,971)	(1,859)	(1,899)		(1,928)	(1,980)
<i>Change in Fund Balance</i>	(1,786)	(71)	(84)	(124)		755	1,510
Beginning Fund Balance	7,138	5,352	5,352	5,267		5,144	5,898
Ending Fund Balance	5,352	5,280	5,267	5,144		5,898	7,408
% Operating Revenues	8.63%	8.00%	8.00%	7.64%		8.5%	10.3%

Cost Reduction Strategy

- Originally assigned \$2.4M cost reduction target as shown below

	Cost Reduction Target	Status
President	\$90K	✓ \$90K
Provost	\$870K (not \$1.5M)	✓ \$870
VPFA (including General Institution)	\$1,290K (not \$670)	<ul style="list-style-type: none"> \$1M cuts* <p>* + \$545K revenue</p>
VP EMSA	\$200K	✓ \$250
<u>VP Development</u>	<u>\$10K</u>	✓ <u>\$10</u>
Total	\$2.4M	\$2.2M

Note: of the \$2.4M in projected cost reductions, an additional \$602K is needed to cover decrease in projected revenue

Future Meetings

Adjournment